

## Message Text

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PAGE 01 KINGST 03741 151846Z POSS DUPE  
ACTION ARA-14

INFO OCT-01 ISO-00 EB-07 COME-00 TRSE-00 OMB-01 EPG-02  
CIAE-00 INR-07 NSAE-00 DODE-00 AID-05 /037 W  
-----073557 160948Z /21

R 141916Z JUL 77  
FM AMEMBASSY KINGSTON  
TO SECSTATE WASHDC 6243  
AMEMBASSY BRIDGETOWN  
AMEMBASSY GEORGETOWN  
AMEMBASSY NASSAU  
AMEMBASSY PORT OF SPAIN

UNCLAS KINGSTON 3741

E.O. 11652: N/A

TAGS: PLBR, EGEN, EFIN, JM

SUBJECT: GOJ ISSUES WAGE AND PROFIT GUIDELINES

1. IN MINISTRY PAPER TABLED JULY 12, GOJ HAS OUTLINED ITS NEW WAGE AND PROFIT GUIDELINES AS REQUIRED UNDER THE AGREEMENT BETWEEN THE GOJ AND THE IMF. ACCORDING TO PRESS REPORTS, WAGE GUIDELINES ARE AS FOLLOWS:

- A. A CEILING ON PAY INCREASES OF \$10 PER WEEK.
- B. WAGE INCREASES WOULD BE BASED ON A COST OF LIVING CATCH-UP BASIS RELATED TO THE COST OF LIVING INDEX OF JUNE 30, 1973, (SUBJECT TO THE MAXIMUM LIMITATION OF \$10 PER WEEK.). EMPLOYERS WOULD BE AUTHORIZED TO PASS ON THE COST OF LIVING RELATED WAGE INCREASE IN THE FORM OF HIGHER PRICES ONLY IF NECESSARY TO MEET THIS WAGE INCREASE.
- C. WHERE AN EMPLOYER HAS THE ABILITY TO PAY AN INCREASE IN WAGES OVER AND ABOVE THE COST OF LIVING CATCH-UP INCREASE WITHOUT RESORTING TO AN INCREASE IN PRICES HE MAY DO SO, PROVIDED THE \$10 PER WEEK CEILING IS NOT EXCEEDED.

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- D. WAGE TRIBUNALS WILL CONFORM TO THE GOVERNMENT GUIDELINES.
- E. THE FOREGOING WILL APPLY TO EMPLOYEES EARNING UP TO \$16,000 PER YEAR. FOR THOSE EARNING MORE, NO NEW INCREMENTS MAY BE ALLOWED.

F. INTERINDUSTRY COMPARABILITY WILL NO LONGER BE CONSIDERED A JUSTIFICATION FOR WAGE INCREASES. IN THOSE CASES WHERE GENUINE ANOMALITIES EXIST, THE GOVERNMENT WILL CONFER WITH THE UNIONS AND EMPLOYERS TO ARRIVE AT A WORKABLE FORMULA.

2. DEALING WITH PROFITS THE MINISTRY PAPER PROVIDED THAT:

A. A LIMIT (IMPOSED IN 1975) ON DIVIDENDS OF 7 PERCENT OF CAPITAL AND RESERVES WILL CONTINUE.

B. A SYSTEM WILL BE ESTABLISHED TO REGULATE PROFESSIONAL FEES.

C. IN THE INTERIM, ALL PROFESSIONALS ARE REQUIRED TO VISIBLY DISPLAY SCHEDULES OF FEES.

D. OTHER PROFITS WILL CONTINUE TO BE REGULATED BY THE 1975 REGULATION WHICH LIMITS PROFITS TO THE AVERAGE LEVEL OF THE PREVIOUS THREE YEARS.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
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**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009